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UNCLAS SECTION 01 OF 02 ASHGABAT 000959

SIPDIS

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STATE FOR SCA/CEN (PERRY)

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SUBJECT: EXPANDING WATER SUPPLIES AND DEVELOPMENT IN  
TURKMENBASHY

REF: A. A) ASHGABAT 905

- 1B. B) ASHGABAT 922
- 1C. C) ASHGABAT 923
- 1D. D) ASHGABAT 162

Summary

11. (SBU) The construction and redevelopment boom afflicting Ashgabat has not infected Turkmenbashy and Balkanabat, the two main cities in western Balkan welayat (province). However, tourism development is expected in Turkmenbashy, Turkmenistan's main port city, where a new water desalinization plant is on track to double the city's daily fresh water supply to 50,000 cubic meters. End Summary.

Turning Sea Water into Drinking Water

12. (U) During a recent trip to Turkmenistan's western Balkan welayat (province), which borders the Caspian Sea, embassy personnel discussed oil, natural gas and infrastructure issues with Turkmenbashy's mayor, the head of the Turkmenbashy refinery, subcontractors of the Malaysian firm Petronas and personnel from the U.K.'s Burren Resources. Specific feedback regarding natural gas and oil issues is contained in reftels A and B.

13. (SBU) Turkmenbashy, a city of approximately 90,000 inhabitants, relies on 25,000 cubic meters of fresh water daily, which comes to Turkmenbashy by pipeline from the inland city of Balkanabat. The oil refinery in Turkmenbashy has its own desalinization facility to support refinery operations. According to Turkmenbashy Hakim (mayor) Ashyrniyaz Pomanov, the Turkmenbashy refinery, through a Japanese contractor, will be building a new \$100 million desalinization plant with a 30,000 cubic meter-per-day capacity. All but 5,000 cubic meters of the planned new facility's capacity will be destined for municipal consumption. Refinery director Tachberdy Tagiev confirmed these construction plans in a separate meeting.

Where is the White Marble?

14. (SBU) The scale of reconstruction and development in Ashgabat is not replicated in Balkan Welayat's two largest cities, Balkanabat and Turkmenbashy. Although it appeared to embassy personnel that a park had been recently destroyed in Balkanabat, the provincial capital, currently only one major project - a theater being constructed in time to open for

Turkmenistan's 15th anniversary on October 27 - was under construction. Embassy only noted two other structures of recent vintage in Balkanabat - the Nebetci Hotel (built by the Turkish Gap Insaat to support Gap Enerji activities in the area, both are owned by Turkish businessman Ahmet Calyk and are part of his Calyk Holding company) and a medical diagnostic facility opened last year, thereby completing the series of multi-million dollar diagnostic facilities built in each of the welayat capitals.

¶ 15. (SBU) The port city of Turkmenbashy had only four or five construction projects - mostly multi-story hotels. All of the projects sported Turkish flags, signaling the presence of Turkish firms overseeing the projects. According to Pomanov, Turkmenbashy's Mayor, the central government plans to emphasize resort development in Turkmenbashy.

¶ 16. (SBU) Embassy noted amidst the debris of the neighboring resort town of Awaza, destroyed en masse this year and last (ref D), preparations to build a hotel. There have been additional governmental proclamations regarding new resorts planned for the Awaza area. Yet, more than 95 percent of approximately 10 square kilometer plot of land formerly covered with homes, businesses and restaurants in Awaza remains a desolate wasteland. Notwithstanding this barrenness, however, embassy observed hundreds of local residents navigating the debris field to enjoy the beach and unobstructed view of a presidential retreat down the coast.

Comment

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¶ 17. (SBU) Although the intensive building activity afflicting Ashgabat has not reached the provinces, the expected increase in revenues from President Niyazov's recent natural gas deal

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with Russia's Gazprom may give Niyazov additional opportunities to transform Turkmenistan (septel). As his namesake city, Turkmenbashy may be a recipient -- eventually -- of Niyazov's natural gas-financed largesse, i.e., more demolition to make room for worthless vanity projects. End Comment.

BRUSH